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Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 NEA-10 ISO-00
PA-01 PRS-01 ERDA-05 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /143 W
----------080523 181252Z /53
R 180915Z AUG 77
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 8815
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY BRUSSELS
AMEMBASSY CARACUS
AMCONSUL DHAHRAN
AMEMBASSY DOHA
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY QUITO
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA

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E.O. 11652: N/A
TAGS: EFIN, OPEC, ENRG
SUBJECT: KUWAIT OFFICIAL DENIES NEWSWEEK STORY RE PRICING
OIL IN SDR'S

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1. LOCAL PRESS AUGUST 4 QUOTED OIL MINISTRY UNDER-
SECRETARY NOSSAIR AS VARIOUSLY STATING EITHER THAT KUWAIT
WOULD PRICE ITS OIL IN UNITS OF ACCOUNT OTHER THAN THE
DOLLAR SUCH AS THE SDR OR THAT IF THE DOLLAR CONTINUED
TO SINK A SPECIAL OPEC MEETING MIGHT BE CALLED TO
CONSIDER PRICING OIL IN SOME UNIT OTHER THAN THE
DOLLAR. ONE LOCAL PAPER (AL-QABAS) AUGUST 8 CALLED FOR

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KUWAIT DEMANDING KUWAITI DINARS IN PAYMENT FOR ITS OIL.
THESE STORIES APPARENTLY ARE THE BASIS FOR A REPORT IN THE
AUGUST 15 ISSUE OF NEWSWEEK WHICH STATES THAT "HURT BY
FLUCTUATING EXCHANGE RATES, KUWAIT IS PUSHING OTHER
OPEC MEMBERS TO PRICE THEIR OIL IN THE IMF'S SPECIAL
DRAWING RIGHTS (SDR'S) INSTEAD OF IN THE CAPRICIOUS
U.S. DOLLAR. BUT UNLESS THE DOLLAR FALLS FAR MORE
PRECIPITOUSLY THAN IT YET HAS AND AN EMERGENCY MEETING
OF OPEC IS CALLED, A DECISION TO SWTICH TO SDR'S IS
UNLIKELY UNTIL THE THIRTEEN OIL-PRODUCING COUNTRIES GET
TOGETHER AGAIN IN CARACAS NEXT DECEMBER. MEANTIME,
HOWEVER, KUWAIT HAS ANNOUNCED THAT IT INTENDS TO GO AHEAD
ON ITS OWN AND REQUIRE ITS CUSTOMERS TO CALCULATE THE
PRICE OF KUWAITI CRUDE IN SDR'S FROM NOW ON."

2. ANY MOVE REGARDING THE UNIT OF ACCOUNT IN WHICH OIL
IS PRICED WOULD HAVE TO BE APPROVED BY KUWAIT'S FINANCE
MINISTRY AND HIGHER OFFICIALS SUCH AS THE CROWN PRINCE.
IN CONVERSATION WITH ECONOMIC/COMMERCIAL SECTION CHIEF
AUGUST 17, FINANCE MINISTRY UNDERSECRETARY SHAIKH ALI
KHALIFA AL-SABAH DISCOUNTED REPORTS OF NO LONGER PRICING
OIL IN DOLLARS AS UTTER NONSENSE. HE SAID THAT HE HAD BEEN
SO ANNOYED BY THE AL-QABAS STORY THAT HE HAD ALMOST
WRITTEN A LETTER TO THE PAPER REBUTTING THE IDEA BUT DID
NOT WANT TO DIGNIFY IT BY DOING SO. KHALIFA SAID THAT
ANY SERIOUS DECLINE IN THE DOLLAR WOULD OBVIOUSLY BE A
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MATTER OF CONCERN FOR KUWAIT BUT THAT OPEC ALREADY HAD MEANS
FOR DEALING WITH SUCH MATTERS, THE BEST ONE SIMPLY BEING
TO RAISE THE PRICE OF OIL AT THE NEXT SIMI-ANNUAL MEETING
IN ORDER TO COMPENSATE FOR ANY DECLINE IN THE
DOLLAR.
MAESTRONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OILS, PETROLEUM INDUSTRY, PRICES, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUWAIT04671
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770298-0239
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770849/aaaabpkw.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ce108b58-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1564285
Secure: OPEN
Status: NATIVE
Subject: KUWAIT OFFICIAL DENIES NEWSWEEK STORY RE PRICING OIL IN SDR\'S LIMITED OFFICIAL USE
TAGS: EFIN, ENRG, KU, OPEC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ce108b58-c288-dd11-92da-001cc4696bcc
Review Markings:
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